Africa International Journal of Management Education and Governance (AIJMEG) 1(2):101-113

Organizational Restructuring Effect on Competitive Advantage of Catholic Mission Hospitals in Nyeri County, Kenya.

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Received in 23rd June 2016 Received in Revised Form on 4th August 2016 Accepted on 8th August 2016

Abstract

In the recent years, the health sector has experienced escalating health care costs which have made the health care service providers seek for ways of continuously staying competitive to provide quality services to its customers. Traditionally, this is a sector that requires high level of professionalism, sophisticated equipments and advanced technology in order to stay ahead of others. Catholic mission hospitals have not been an exception to this experience. Despite the efforts, several draw backs have been noticed in the hospitals. It's against this background that this study specifically aimed to establish the effect of investigate whether establishing whether human resource alignment had any effect on competitiveness of Catholic Mission Hospitals in Nyeri County. The target population for the study was 226 staff and a sample size of 68 was selected. The researcher used descriptive survey research design. Data was collected using questionnaires. The data collected was both qualitative and quantitative in nature. The qualitative data was analyzed using content analysis and presented in form of narratives, while quantitative data was analyzed using descriptive statistics. The findings of the study were: lack of changes in HR alignment, (β=.313, t=4.363, p<0.004) had a significant negative influence on competitive advantage in catholic mission hospitals in Nyeri County. The study therefore recommends: the Catholic Mission Hospitals management should employ integration organizational structure where staff are involved in decision making as this will harness the staff expert capabilities and improve performance.

Key words: *Organisational Structure, competitive advantage, mission hospitals*

1.0 Introduction

Organizations are a collection of individuals who come together to pursue common goals by pooling resources together, setting tactical strategies and exploring the dynamic environment in order to attain the set targets, Mintzberg (1991). The coming together is necessitated by the existence of needs in the society that require satisfaction. However, satisfying the society needs is the greatest challenge which most managers in any organization dream to attain. On the other hand, organizations also operate in a highly volatile environment that is complex, and constantly changing, meaning that, organizations must react to the components of the environment in a systematic manner in order to remain competitive. Some of the environment components include, political, economic, social cultural, ecological, legal, demographic and technological advancement, (Cole, 2000).

In another context, one other key problem that managers of the 21st century face is globalization. On this, organizations are faced with unprecedented competition because they are in a dynamic environment, (Wanatabe *et al.,* 2003). To suppress this problem, organizations change approaches and methods to enhance business competitiveness by making the organizations more effective, efficient and responsive to the turbulent environmental changes. Competitive advantage requires that an organization does certain activities better than other competitors thereby creating superior value for customers. The basis of superior performance in the long run is what we term as competitive advantage. Key activities which organizations can do include, low costs on products or services, delivering superior

customer service, strategically placing themselves in a good location, having superior technological expertise, offering superior supply chain management, enhancing better production techniques and providing known and respectable brands of products and services. One of the approaches an organization can adopt to champion this agenda is business process reengineering which can guarantee competitiveness in its operations.

1.1 The Catholic Mission Hospitals - Nyeri County.

The Roman Catholic Church is the oldest non-governmental institution founded over 2000 years ago. In the ancient times, the early Christians were noted for tending the sick with a strong Christian emphasis of practical charity which necessitated the rise and development of Nursing Homes and Hospitals in the entire World (Agwunobi, 2013). The Catholic Church involvement in the field of health care is born of the teaching of Jesus Christ and the church's doctrine of social teachings. The Catholics believe that Jesus is its founder, who in his teachings placed emphasis on care for the sick and the outcasts.

Based on the teachings of Christ, the Catholic Church placed greater emphasis on healthcare and by the year 2013; the church reported controlling 26% of the world health care facilities namely, 18,000 clinics, 16,000 homes for the elderly people with special needs and 5,500 hospitals in the whole world. Today, the church boosts of locating 65% of its hospitals in developing countries such as Kenya (Agwunobi, 2013). According to KCCB (2015), the Catholic Church in Kenya controls 511 health units. The units include 54 hospitals, 83 health centres, 311 dispensaries and mobile clinics, 46 community based health programmes and 17 medical and nursing colleges which translates to 15 % of the total health facilities in the country.

On the other hand, the history of Catholic Mission Hospitals in Nyeri started way back in 1902 when the Consolata Missionaries landed in the area with the key objectives of spreading Christianity, offering education, offering health and social services to the people within and around Nyeri. Today, the Catholic Archdiocese of Nyeri which owns the mission hospitals is curved from 6 Administrative Districts/constituencies of the current Nyeri County. The districts include; Kieni, Mathira, Mukurweini, Nyeri central, Othaya and Tetu all with the total population of 693,558 people (Kenya population and Housing census, 2009). The hospitals include 2 key Hospitals thus Consolata Hospital and Mary Immaculate Hospital alongside 8 dispensaries and mobile clinics all spread in the aforementioned administrative boundaries, (Archdiocese of Nyeri secretariat news, 2013).

Consolata mission Hospital was started as a small Health centre in 1937 and was registered as a hospital in 1952 and currently it has a bed capacity of 183 Beds. It's a level IV Hospital because it has both the inpatient and outpatient sections. The hospital has 6 key specialized services, thus, computerized tomography (CT-SCAN), Renal Dialysis, intensive care unit (ICU), Hearing and Eye aid, operational theatre, imaging- scans such as X-ray and ultra sound services besides its routine general curative treatment functions. Besides, the hospital registry shows that, it caters for 110 patients daily as inpatients. While on the other hand, it registers between 75-100 patients daily as outpatients (Consolata Hospital- Strategic plan, 2012 – 2016). Consequently, the hospital has 216 employees. The facility serves as a referral hospital for Nyeri diocese, Muranga, Isiolo, Meru, Embu, Marsabit, Nyahururu and Lodwa dioceses.

Mary Immaculate hospital is located in Kieni District of Nyeri County. This facility started in the year 1969 as small dispensary where the current hospital stands today. The facility was elevated to a level IV hospital in 1984 after it started offering both inpatient and outpatient services. The hospital serves between 35-70 inpatients on a daily basis, while on the other hand serves an average of 50 patients as outpatients on daily basis. (ADN, 2010-2014 Strategic plan). The two Mission Hospitals serve a population of over 200,000 people out of the 693,558 people within the county (A.D.N Strategic plan, 2010-2014). This is 29% of the total population of people within the county.

Notable efforts have been put in place by the respective facilities to enhance and improve services. For instance, Consolata mission hospital in the year 2008 acquired a very expensive ERP system that it hoped would assist

it to speed up processes hence attract more clients. The drawback has been noted, as the bed occupancy of inpatient stand at 50% (A.D.N Strategic plan 2010-2014). In the year 2013 Consolata mission hospital made a loss of about five million off from the expectation of speeding up processes and attracting more clients to earn more revenues (Consolata Mission Hospital Newsletter, 2013). Almost similar observations have been noted in all the two Catholic mission hospitals, where long queues have been seen despite IT automation that has been put in place to speed up processes (A.D.N Strategic plan 2010 – 2014). Since the strategic objectives of the mission hospital are to enhance performance, remain competitive and attract many customers and to turn around for operational excellence, this study aims at assessing the effects of organizational restructuring on competitive advantage of Consolata Mission hospitals in Nyeri, County.

2.0 Theoretical Framework and Hypothesis Development

2.1 BPR Theory

Literature is full with examples of how BPR has helped firms contain costs and achieve breakthrough performance in a variety of parameters like delivery times, customer service, and quality (Michael Hammer, 1996). Companies that have successfully implemented reengineering have reported general benefits of higher productivity, greater cost efficiency in delivering goods or services, reduced business cycles, and overall improved profits (Magutu *et al.,* 2010). In order for different organization to be successful in business process reengineering projects, the organization should work hard to ensure a reasonable transition to the new process. This includes managing the human and organization's technical issues surrounding implementation of the new process and assessing the results of reengineering efforts. Besides, organizations also need to focus on ongoing performance measurement and feedback to continually improve the new process once it is in place (Champy, 1990). Similarly, Champy has indicates that organizations need to effectively manage change so as to be successful in BPR implementation projects (Champy, 1990).

Redesign can be achieved in two ways for purpose of competitiveness, thus incremental and radical. Incremental change refers to classified methodologies for improvement and simplification. This aim at improving what already exist in the organization usually by eliminating non value adding activities in order to achieve results within minimal time and best allocation for resources (Grover *et al.,* 1993). In radical change, redesign will challenge the existing organizational framework and might request the introduction of new technology regardless of the impact this might have on the personnel's behaviour and attitudes (Grover *et al.,* 1993).

2.2 Resource Based View Theory.

The resource-based view model (RBV) of strategic management evolved from the work of Penrose (1959), in her book 'The theory of the growth of the firm'. Her theory was subsequently refined and named the ''resource-based view of the firm'' (Wernerfelt, 1984) and it experienced a renaissance (Prahalad and Hamel, 1990). Generally, RBV is simply a reinterpretation of the environmental perspective. Where the latter describes analytically why a differentiated position within an industry coupled with high entry barriers can lead to profitability, the former redirects attention towards the underlying heterogeneity making such a position sustainable. For example, while early environmental analysis seemed to suggest that competitive advantage arose from purely technological factors (such as economies of scale) or from unique assets (such as a brand name reputation), the RBV emphasized the idea that these technological or market positions reflect internal organizational capabilities, such as the ability to develop new products rapidly, to understand customer needs profoundly, or take advantage of new technologies cheaply (Wernerfelt, 1984).

Proponents of the RBV suggested that strategic investments directed towards these internal activities might be as (more) important as in generating supernormal returns. Furthermore, RBV deepened the discussion by focusing attention on two key insights about the sources of competitive advantage. First, in many cases, an industry's 'structural' features are the result of the organizational capabilities of its

constituent firms, a powerful brand name, for example, may reflect years of successful new product introduction and super (unique) marketing skills. Second, there are many good reasons for thinking that the market for organizational capabilities may be imperfect in exactly the kinds of ways that are likely to lead to the existence of supernormal returns. In part because of these two insights (which are implicit but not always manifest in environmental analyses) RBV is often positioned as an 'alternative' to the environmental perspective. Each of the reasons above proposes a model of why firms may sustain superior performance, but the two models are not mutually exclusive, at least in terms of their empirical predictions, while the environmental view focuses attention on external industry structure. RBV directs us towards the fact that internal capabilities and investments provide the instruments and tools to shape the external environment (Prahalad and Hamel, 1990).

The theoretical RBV literature explicitly points out that strategy is not all, neither is the cognitive ability of the senior management and their ability to make the 'right' decisions, but also about their ability to work creatively with the raw material presented to them by their firm and their environment (Mintzberg, 1987). In brief, when focusing on the dynamics of competence and resource creation, RBV is centrally concerned with the degree to which successful firms are indeed lucky since it suggests that many of the competencies underlying advantage are the result of investments made under a heavy cloud of uncertainty and that they are subject to local but not globally adaptive evolution.

More importantly, there are studies suggesting that the possession of unique organizational competencies is correlated with superior performance (Powell, 2001) and others suggesting that competitive advantage may be heavily influenced by conditions put in place during times of a firm's formation or setting (Grant,1998). This model forms a pillar for this study because when hospitals operate in the changing and turbulent environment, they need to acquire as much resources as possible and to also acquire superior competencies so as to compete during times when they are faced with stiff competition in the market.

2.3 Core competence theory

A core competency results from a specific set of skills or production techniques that deliver additional value to the customer (Prahalad and Hamel, 1990). These techniques enable an organization to access a wide variety of markets. Core competencies are developed through the process of continuous improvements over the period of time rather than a single large change. To succeed in an emerging global market, it is more important and required to build core competencies rather than vertical integration. NEC Corporation utilized its portfolio of core competencies to dominate the semiconductor, telecommunications and consumer electronics market. Management must realize that stakeholders of core competences are an asset who can be utilized to integrate and build the competencies. Competence building is an outcome of strategic architecture which must be enforced by top management in order to exploit its full capacity (Prahalad and Hamel, 1990).

According to Prahalad and Hamel's (1990) definition, core competencies are the "collective learning across the corporation". They can therefore not be applied to the SBU and represent resource combination steered from the corporate level. Because the term "core competence" is often confused with "something a company is particularly good at", some caution should be taken not to dilute the original meaning. Executives should develop a point of view on which core competencies can be built for the future to revitalize the process of new business creation. Developing an independent point of view of tomorrow's opportunities and building capabilities that exploit them is the key to future industry leadership.

For an organization to be competitive, it needs not only tangible resources but intangible resources like core competences that are difficult and challenging to achieve. According to Grant, (1998), it's critical to manage and enhance the competences in response to industry changes in the future. In a race to achieve cost cutting, quality and productivity, most executives do not spend their time developing a corporate view of the future because this exercise demands high intellectual energy and commitment. The difficult questions may challenge their own ability to view the future opportunities but an

attempt to find their answers will lead towards organizational benefits. This theory is quite relevant to this study because, it is important to create an enabling environment which will place the hospitals as learning institutions to plough in new innovations in order to stand a head of others in the market.

2.4 Effect of Organizational Restructuring on Competitive Advantage of Catholic Mission Hospitals in Nyeri County, Kenya

Human Resource Management (HRM) of any organization is a major concern because all managers at all levels meet their goals through the efforts of others, which therefore require effective and efficient management of the people (Dessler *et al.,* (1999). HRM function has several activities such as planning, recruiting, selection and training just to mention but a few. The HR manager is involved in detailed activities that are aimed at creating a suitable environment for the employees at all times. HR manager ensures that there is fair treatment to employees, conducting performance appraisals, ensuring employees health and safety is upheld, building and maintaining good employee relation, handling complains and grievances, ensuring compliance with human rights, occupational health and safety, labour relation and other legislations affecting the work place.

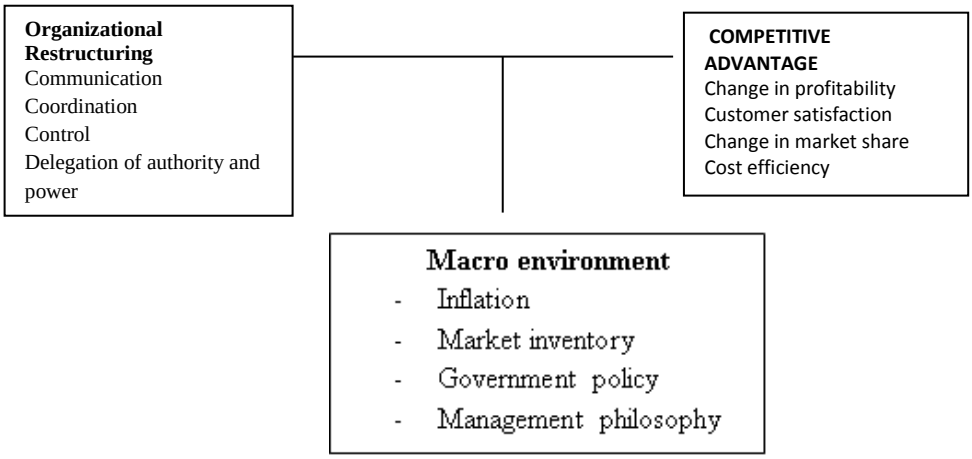
Today, the World of work is placing more demands than before on both the employer and the employee with specific reference to demands placed on employees within the New World of work. Furnham (2000) highlighted the need for employees to acquire new sets of skills (abstract thinking, understanding of organizational systems, ability to deal with change) and to take responsibility for their own career planning. According to Ulrich (1997) these happen within an environment where the job has high demands.

Kesler (1995) observes that realignment of the HR function requires a detailed evaluation of the HR functions in a given work place hence this can assist the management in redesigning the HR functions to be in line with top management expectations, development of New HR competences (Training and education for staff), and Redesign using the HR products and systems. The benefit of conducting an assessment according to Becker, Huselid and Ulrich (2001) is that the HR function can (1) assess the overall effectiveness of the HR function, (2) compare the HR and line managers (customer's) perceptions of the HR function, and (3) identify competence gaps of HR professionals.

Notable previous studies have indicated that employee empowerment can result in positive outcomes for an organization (Arthur et. a1, 1994). However, alignment is the main feature of BPM (Hall, 2002). Once organization-wide commitment has been enhanced and secured from all departments involved in the reengineering effort and at different levels, the critical step of selecting a BPR team must be taken. This team will form the nucleus of the BPR effort, which make key decisions and recommendations, and help communicate the details and benefits of the BPR program to the entire organization (Hammer, 1990). The determinants of an effective BPR team may be outlined as follows, competency of the members of the team, their motivation, their credibility within the organization and their creativity, team empowerment, education and training of members in process mapping and brainstorming techniques, effective team leadership, proper organization of the team, complementary skills among team members, adequate size, interchangeable accountability, clarity of work approach and specificity of goals (Rastogi, 1994).

Thus, we hypothesize that H_0: O*rganizational restructuring does not have a significant influence on the competitive advantage of Catholic Mission Hospitals*

1.1 Conceptual Framework



Source: (Researcher, 2015)

3.0 Methods

3.1 Research Design

The research design adopted a descriptive survey which was appropriate in determining and reporting information concerning the current status of affairs (Copper and Schindler, 2005).

3.2 Target Population

The target population for the study was 226. The study used stratified random sampling technique to determine the sample size. The sampling frame came from key staff working as administrators, accountants, technologists, dental officers, nurses, VCT counselors and pharmacists drawn from the two Catholic Mission Hospitals. These were the key players who in most cases ensured that strategies put in place were achieved through their efforts. This is because according to (Borg and Gall, 2003) at least a sample of 30% of the accessible population is representative enough to be a sample size. The generated sample of 68 respondents was used.

3.4 Data Collection

Data was collected from primary and secondary sources. Primary data was collected directly from the respondents while secondary data was collected from documented reports of the hospitals. Data was collected through a questionnaire where the questionnaire contained both open and close ended questions. The questionnaires was administered using drop and pick method.

3.5 Validity

This study used face validity. It refers as the appearance of the measuring instrument and whether respondents view the instrument as authentic Finchilescu (2002). Content validity was ascertained by the supervisor going through the contents of the questionnaires and advising the researcher.

3.6 Reliability

In this study, internal consistency of the questionnaire was determined by calculating the Cronbach alpha coefficient, where a range of 0.7 - 0.9 is accepted, while a range below 0.7 is rejected. The results show that the figure was 0.712 which shows reliability. Usually, the Cronbach alpha is viewed as the average of the reliability coefficient that result if all possible split-half analysis is performed (Finchilescu, 2002). To further enhance reliability of the measuring instrument in this study, the researcher conducted a pilot test to test the internal consistency of the responses.

3.7 MODEL

$Y = \beta_0 + \beta 1\ X_1 + \varepsilon$

Where;

Y = Competitive Advantage, X_1 = Organisational Structure,

While

β_1, captured the effects of BPR on competitive advantage of Catholic Mission Hospitals.
ε = is the error term

4.0 Findings

4.1 Gender and Age Distribution of Respondents

The respondents were asked to give their gender and age distribution. The response is as seen in table 4.1.

Table 4.1 Gender of Respondents * Age of Respondents Cross tabulation

			Age of Respondents					Total
			Less than 20 years	20-30 years	31-40 years	41-50 years	Over 50 years	
Gender of Respondents	Male	Count	5	24	18	0	0	47
		% within Age of Respondents	100.0%	96.0%	90.5%	.0%	.0%	80.0%
		% of Total	8.3%	40.0%	31.7%	.0%	.0%	80.0%
	Female	Count	0	1	2	5	3	11
		% within Age of Respondents	.0%	4.0%	9.5%	100.0%	100.0%	20.0%
		% of Total	.0%	1.7%	3.3%	8.3%	6.7%	20.0%
Total		Count	5	25	20	5	3	58
		% within Age of Respondents	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	8.3%	41.7%	35.0%	8.3%	6.7%	100.0%

Source: Survey Data (2015)

From the table, majority of respondents at 80.0% were male while only 20.0% were female. This implies a male dominated workforce at the Catholic Mission Hospitals in Nyeri County. This agrees with WHO, (2010) report that asserted that most hospital operational works had male domination with females forming the bulk of nursing staff but not administrative and operational. On the age of the respondents, majority at 41.7% were aged between 20-30 years followed by 35.0% between 31-40 years, 8.3% for those less than 20 years years and 41-50 years and only 6.7% over 50 years of age. This is an indication that majority of respondents were adequately exposed to issues of effect of Business process Reengineering (BPR) on the competitive advantage of catholic mission Hospitals.

4.2 Level of Education and Work Experience

Education is important for the acquisition of necessary skills and competencies for proper work (Warf *et al.*, 2007). Further, the respondents had served for varied number of years at their work stations at varied positions in the hospital. The result is as seen in Table 4.2.

Table 4.2 Level of Education * Level of Experience Cross tabulation

			Level of Experience				Total
			Below 5 years	6-10 years	11-15 years	Over 15 years	
Level of Education	Cert	Count	0	1	1	3	5
		% within Level of Experience	.0%	11.1%	8.3%	9.7%	8.3%
		% of Total	.0%	1.7%	1.7%	5.0%	8.3%
	Diploma	Count	0	1	8	24	33
		% within Level of Experience	.0%	11.1%	66.7%	77.4%	55.0%
		% of Total	.0%	1.7%	13.3%	40.0%	55.0%
	Degree	Count	5	7	3	1	16
		% within Level of Experience	62.5%	77.8%	25.0%	3.2%	26.7%
		% of Total	8.3%	11.7%	5.0%	1.7%	26.7%
	Masters	Count	3	0	0	3	6
		% within Level of Experience	37.5%	.0%	.0%	9.7%	10.0%
		% of Total	5.0%	.0%	.0%	5.0%	10.0%
Total		Count	8	9	12	31	60
		% within Level of Experience	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	13.3%	15.0%	20.0%	51.7%	100.0%

Source: Survey Data (2015)

Majority of workforce 55.0% were diploma holders, 26.7% were first degree holders, 10.0% were master's degree holders and only 8.3% were certificate holders. This implies that there had been efforts by the respondents to further their studies. As a result the respondents who had diploma and above were more knowledgeable compared to the others.

4.3 Designations

The respondents were asked about their designations, the results are as seen in Table 4.3

Table 4.3: Designations

Cadre/Category	Frequency	%
Administrators	2	3.3%
Accountants	7	11.7%
Doctors	2	3.3%
Nurses	26	46.7%
Senior Clerical officers	7	11.7%
Technologists	7	11.7%
Dental officers	2	3.3%
VCT counselors	2	3.3%
Pharmacists	3	5.0%
Total	**58**	**100%**

Source research data (2015)

The study shows that majority at 46.7% were nurses followed at 11.7% with accountants, senior clerical officers and technologists, 5.0% were pharmacists then 3.3% were dental officers, administrators and VCT counselors.

4.4 Competitive Advantage

The study sought to find out the concept of competitive advantage exercised by the hospitals. The results are as seen in table 4.4

Table 4.4 Competitive Advantage

	I		U		PD		D		NI		Mean	SD
	F	%	F	%	F	%	F	%	F	%		
Rate profitability levels of this hospital	8	13.3%	10	16.7%	13	25.0%	23	38.3%	4	6.7%	3.79	.84
Rate customer satisfaction level of this hospital	8	13.3%	11	18.3%	9	15.0%	25	45.0%	5	8.3%	3.06	.95
Rate the hospital market share in Nyeri county	4	6.7%	12	20.0%	9	15.0%	29	51.7%	4	6.7%	3.89	.85
Rate the hospital policy on cost control	8	13.3%	8	13.3%	8	13.3%	28	50.0%	6	10.0%	2.06	1.1

Source: Survey Data (2015)

The table shows that majority at 63.3% noted that profitability levels of their hospital had either partially decreased or decreased. Only 16.7% responded to unchanged, 13.3% noted that profitability had increased 6.7% said there was no impact. This implies that as far as profit margins were concerned the Catholic Mission hospitals were not making high returns further showing a slip in competitive advantage for most hospitals. Rumelt (2007) had argued that a measure of competitiveness is measured quantitatively by profit, ability to raise capital and cash flow in terms of liquidity status and a firm that is not bringing in high profits compromises on its competitiveness a factor that the result here seems to indicate.

The respondents were asked to rate customer satisfaction level of their hospital. On this, 60.0% said customer satisfaction had either partially or totally decreased, 18.3% said it had remained unchanged, 13.3% said it had increased and 8.3% said there was no impact. This is an indication that subjectively, the hospitals were not competitive and they needed to up their game. Customer satisfaction if poor creates a firm that is competitively disadvantaged (Rumelt, 2007).

When asked to rate the hospital market share in Nyeri County 66.7% said it had either partially or totally decreased, 20.0% said the market share had not changed, and 6.7% noted that it had increased and had no impact consecutively This is an indication that the Catholic Mission hospital's competitiveness was hampered because of a decreasing market share. From an entrepreneurial perspective, a competitive firm needs to survive in the market and to achieve market share and profitability. The success of a competitive firm can be measured by both objective and subjective criteria. Objective criteria include return on investment, market share, profit and sales revenue, while subjective criteria include enhanced reputation with customers, suppliers, and competitors, and improve quality of delivered services (McCabe, 2006).

Finally, when asked to rate the hospital policy on cost control, 63.3% noted that it had partially or totally decreased, 13.3% was indicated for both unchanged and increased, while 10% said there was no impact. This gives an indication that the policy on cost control had not be well effected which then gave a negative indication of business process engineering in the hospitals. Sotiris and Lampathaki (2000) noted that cost control was one of the central measures of business process engineering that would then if well actualized shore up business competitiveness.

From the responses obtained, rating the hospital market share was a significant reality as it had the highest mean score of 3.89.

4.5 Effect of Changes in the Organization Structure on Competitive Advantage

	VGE		GE		M		LE		NA		Mean	SD
	F	%	F	%	F	%	F	%	F	%		

Employees are empowered by being given more authority and power to make decisions in this hospital	6	10.0%	7	11.7%	6	10.0%	28	48.3%	11	20.0%	2.70	1.0
Communication of instructions from top down and down up is encouraged in this hospital	7	11.7%	8	17.3%	7	11.7%	32	55.0%	4	8.3%	3.05	.87
Departmental conflict are reduced because of clarity of objectives and tasks in this hospital	4	8.3%	8	13.3%	7	11.7%	27	46.7%	12	20.0%	2.67	.83
Good coordination of activities is encouraged in this hospital.	3	6.7%	13	21.7%	6	10.0%	26	45.0%	10	16.7%	2.87	.94
Tasks are well Controlled in this hospital.	4	8.3%	8	13.3%	10	16.7%	31	53.3%	5	8.3%	2.69	.74

Source: Survey Data (2015)

Maximum=5 Minimum=1

From table 1.4 it is clear that majority at 68.3% noted that to a less extent or not at all, employees were empowered by being given more authority and power to make decisions in the hospital. Only 21.7% said either to a very great or great extent and 10.0% were moderate. This is an indication that there was no drastic change in organizational structure implying a dip in business process engineering. A review of the literature reveals that structure is fundamental (Mintzberg, 1987). A structure whether formerly or informally defined, has two aspects. It includes, first the lines of authority and communication between different administrative offices and officers, and secondly, the information and data that flows through the lines of communication and authority (Chandler, 1962). This result therefore agrees with literature as far as the lack of organizational structure negatively affecting business process engineering and competitive advantage is concerned.

When asked whether communication of instructions from top down and down up was encouraged in the hospital, 63.3% said to a less extent or not at all, 25.0% said to a very large extent and 11.7% were moderate. This implies that the hospitals had problems communicating which could hamper the business process engineering and consequently competitive advantage. This result is agreed to in literature with Chandler (1962) arguing that as soon as top-down communication is not done and there is no buy-in by administration to middle level staff, the process to reengineer a successful business inevitably dips.

When asked whether departmental conflict were reduced because of clarity of objectives and tasks in the hospital, 66.7% said to less extent or not at all, 21.7% said to a large extent and 11.7% were moderate. This is an indication that crisis management at the hospitals was not well considered and handled. Mlay *et al.,* (2013) had mentioned that effective crisis management that included a clear objective and task management was almost central to business process reengineering. As a matter of concern, therefore, this result shows that the hospitals were not keen at looking at their organizational structure to help them become highly competitive.

When asked if good coordination of activities was encouraged in the hospital 61.7% said to a less extent, 28.3% said to a large extent and 10.0% were moderate. This is in agreement with literature which argues that as a baseline for assessing competitive advantage, firms equate the cost of coordination to the cost of acquiring additional profits and when that balance is not met, competitiveness dips (Mlay *et al*, 2013). Leveraging a firm's ability to reduce clients' operating costs provides a comparable level of service at lower cost and demands that effective coordination be done and where that is missing, business process reengineering suffers.

When finally, asked if tasks are well controlled in this hospital. 61.7% said to a less extent, 21.7% said to a large extent and 16.7% were moderate. This implication agrees with reviewed literature that argued that effective control of tasks was the bane of an effective organizational structure. Cost advantages may come from a perfect control of human resources to complete tasks

(Mansar *et al*, 2006). From the responses obtained, the staff at the catholic mission hospitals in Nyeri considered communication as an influence on their competitive advantage as it had the highest mean score of 3.16. All the above data was reliable.

4.6 Correlation Analysis and Hypothesis Testing

As part of the analysis, Pearson's Correlation Analysis was done on the Independent Variables and the dependent variables. The results is as seen on Table 4.6 below
All the independent variables had a positive correlation with the dependent variable with business recreation having a correlation of (r=0.613 p< 0.01).

	Competitive Advantage	Organizational Structure
Organizational Structure	.615**	1

Table 4.6 Correlation

4.7 Regression Analysis

As part of the analysis, Regression Analysis was done. The results is as seen on Table 4.10, 4.11 and 4.12

Table 4.7 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.778[a]	.748	.741	.177

a. Predictors: (Constant), Organizational Structure

b. Dependent Variable: Competitiveness

From table 4.10 it is clear that the R value was .778 showing a positive direction of R is the correlation between the observed and predicted values of the dependent variable. The values of R range from -1 to 1 (Wong and Hiew, 2005). The sign of R indicates the direction of the relationship (positive or negative). The absolute value of R indicates the strength, with larger absolute values indicating stronger relationships. Thus the R value at .778 shows a stronger relationship between observed and predicted values in a positive direction. The coefficient of determination R^2 value was 0.741. This shows that 74.1 per cent of the variance in dependent variable (Competitiveness) was explained and predicted by organizational structure.

Table 4.8 ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	235.703	3	57.088	118.401	.000[a]
	Residual	15.008	247	.677		
	Total	240.711	250			

a. Predictors: (Constant), Organizational Structure

b. Dependent Variable: Competitiveness

The F-statistics produced (F = 118.401.) was significant at 5 per cent level (Sig. F< 0.05), thus confirming the fitness of the model and therefore, there is statistically significant relationship between Recreation and competitiveness.

Table 4.9 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		

1	(Constant)	2.667	.361	.287	7.508	.000
	Organizational Structure	.374	.067	.382	5.908	.000

a. Dependent Variable: Competitiveness

The t-value of constant produced (t = 7.508) was significant at .000 per cent level (Sig. F< 0.05), thus confirming the fitness of the model. Therefore, there is statistically significant relationship between business and competitive advantage.

Changes in organizational structure was significant (p<0.05) in competitive advantage. Most empirical research and discussion examine changes in organizational structure and strategic advantages as mutually exclusive and important motives for improved performance (Quinn, Doorley, and Pacquette, 2000). Further, studies from the Resource Based View perspective suggest that firms base their performance on among other things organizational structure.

5.0 Discussion and Conclusions

Therefore, the study concludes that catholic mission hospital management need to employ integration organizational structure where staff are involved in decision making as this will harness the staff expert capabilities and improve performance.

5.1 Recommendations of the study

Based on the objectives and conclusions this study recommends;

The study that the Catholic Mission Hospitals management should employ integration organizational structure where staff are involved in decision making as this will harness the staff expert capabilities and improve performance. They should do away with formalization and centralization which seems not to work.

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